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Lynn

George Hofmann (10005)
Parsons Kinghorn Harris
A Professional Corporation
111 East Broadway, 11th Floor
Salt Lake City, UT 84111
Telephone: (801) 363-4300
Facsimile: (801) 363-4378

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DIV. OF OIL, GAS & MINING

Attorneys for debtor-in-possession
Mineral Resources International, Inc.

**IN THE UNITED STATES BANKRUPTCY COURT
DISTRICT OF UTAH, CENTRAL DIVISION**

In re

MINERAL RESOURCES
INTERNATIONAL, INC.,

Debtor.

Bankruptcy No. 13-30606 (RKM)

Chapter 11

DEBTOR'S MOTION FOR ORDER AUTHORIZING THE SALE OF SURPLUS TANKS

Pursuant to Bankruptcy Code § 363 and Bankruptcy Rule 2002 and 6004, Mineral Resources International, Inc. (the "Debtor") through its undersigned counsel, hereby moves this Court for an order authorizing the sale of the Debtor's Tanks (defined below) (the "Motion"). In support of this Motion, the Debtor respectfully represents as follows:

JURISDICTION AND GENERAL BACKGROUND

1. This Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

2. The Debtor filed a voluntary chapter 11 petition on September 16, 2013.

The Debtor continues to operate its business and manage its property as a debtor in possession pursuant to Bankruptcy Code §§ 1107 and 1108.

3. No examiner or trustee has been appointed in this case.

4. The Debtor formerly leased premises located at 1990 West 3300 South, Ogden, Utah 84401 (the "Premises"). However, subsequent to the Debtor's bankruptcy filing, it has vacated the Premises and has relocated to new leased space.

5. Located at the Premises are the following assets (collectively, the "Tanks"): six large storage tanks, three of which are fiberglass storage tanks with a storage capacity of approximately 4,000 gallons, and two of which are plastic storage tanks with a storage capacity of approximately 6,000 gallons.

6. Because of the size of the Tanks and the cost to move them, the Debtor has entered into the Sales/Purchase Agreement Between Mineral Resources International, Inc. and Trace Minerals Research, L.C. (the "Agreement"). Under the Agreement, the proposed purchaser is Trace Minerals Research, L.C. ("TML"), which is an entity asserting one of the largest claims against the Debtor. TML has purchased the Premises which the Debtor formerly leased.

RELIEF REQUESTED

7. The Debtor requests entry of an Order authorizing the sale of the Tanks pursuant to Bankruptcy Code § 363.

8. Under the Agreement, TML has agreed to pay \$8,700 for the Tanks, and to purchase them "as currently located," without warranty.

9. To date, the Agreement is the highest and best proposal that the Debtor has received for the Tanks.

APPLICABLE AUTHORITY

10. Bankruptcy Code § 363 provides that the Debtor, “after notice and a hearing, may use, sell or lease, other than in the ordinary course of business, property of the estate.” Bankruptcy Code § 363(b). To approve the use, sale or lease of property outside of the ordinary course of business, the Debtor must show four requirements: “(1) that a sound business reason exists for the sale; (2) there has been adequate and reasonable notice to interested parties, including full disclosure of the sale terms and the Debtor’s relationship with the buyer; (3) that the sale price is fair and reasonable; and (4) that the proposed buyer is proceeding in good faith.” In re Medical Software Solutions, 286 B.R. 431 (Bankr. D. Utah 2002); accord Committee of Equity Security Holders v. Lionel Corp. (In re Lionel Corp.), 722 F.2d 1063, 1071 (2d Cir. 1983) (identifying the “sound business purpose” test); In re Abbotts Dairies of Penn., Inc., 788 F.2d 143, 145-47 (3d Cir. 1986) (implicitly adopting the articulated business justification test of Lionel, and adding the “good faith” requirement).

11. In general, bankruptcy courts often defer to a debtor’s business judgment regarding the sale of estate assets, unless such decision is arbitrary and capricious. See In re Curlew Valley Assocs., 14 B.R. 506, 511-13 (Bankr. D. Utah 1981). Courts generally will not second-guess a debtor’s business decisions when those decisions involve “a business judgment made in good faith, upon a reasonable basis, and within the scope of his authority under the Code.” Curlew Valley, 14 B.R., at 513-14 (footnotes omitted).

12. The Debtor has sound business reasons for the proposed sale. The Debtor no longer has use for the Tanks in its business given that it has relocated from the Premises. Because of the costs which would be necessary to move the Tanks to the Debtor's new location, the Debtor believes it is more economical to sell the Tanks to the current occupant of the Premises—MRI.

13. As to the second factor, the Debtor submits that this Motion provides ample notice to parties in interest of the proposed sale. Among other things, the Debtor proposes to provide notice and sufficient time for parties in interest to submit objections.

14. Based on an appraisal the Debtor commissioned of the Tanks the Debtor believes the proposed sale price represents fair value for the Tanks.

15. Finally, the Debtor believes and submits that MRI has proceeded in good faith with respect to this proposed sale.

WHEREFORE, the Debtor respectfully requests entry of an order authorizing the sale of the Tanks on the terms and conditions of the Agreement.

Dated: August 6, 2014

PARSONS KINGHORN HARRIS
A Professional Corporation

/s/ George Hofmann
GEORGE HOFMANN

Attorneys for the Debtor

George Hofmann (10005)
Parsons Kinghorn Harris
A Professional Corporation
111 East Broadway, 11th Floor
Salt Lake City, UT 84111
Telephone: (801) 363-4300
Facsimile: (801) 363-4378

Attorneys for debtor-in-possession,
Mineral Resources International, Inc.

**IN THE UNITED STATES BANKRUPTCY COURT
DISTRICT OF UTAH, CENTRAL DIVISION**

In re

MINERAL RESOURCES
INTERNATIONAL, INC.,

Debtor.

Bankruptcy No. 13-30606 (RKM)

Chapter 11

**NOTICE OF (1) DEBTOR'S MOTION FOR ORDER AUTHORIZING THE SALE OF
SURPLUS TANKS; AND (2) DEBTOR'S MOTION TO SELL ASSETS AT AUCTION
FREE AND CLEAR OF LIENS AND APPROVAL OF AUCTIONEER'S COMMISSION
AND ABANDONMENT; AND NOTICE OF OPPORTUNITY FOR HEARING**

(Objection Deadline: August 25, 2014)

PLEASE TAKE NOTICE that Mineral Resources International, Inc. (the "Debtor") has filed with the United States Bankruptcy Court for the District of Utah through counsel, the Debtor's Motion for Order Authorizing the Sale of Surplus Tanks, and the Debtor's Motion to Sell Assets at Auction Free and Clear of Liens and Approval of Auctioneer's Commission and Abandonment (the "Motions").

YOUR RIGHTS MAY BE AFFECTED. You should read these papers carefully and discuss them with your attorney, if you have one in this bankruptcy case. If you do not have an attorney, you may wish to consult one.

NO HEARING WILL BE CONDUCTED ON THE MOTIONS UNLESS A WRITTEN OBJECTION IS FILED WITH THE CLERK OF THE COURT ON OR BEFORE THE OBJECTION DEADLINE SET FORTH BELOW.

If you do not want the Court to grant the relief requested in the Motions then you or your attorney must do each of the following:

- (1) on or before **August 25, 2014**, file with the Bankruptcy Court a written response to the Motions, explaining your position, at: United States Bankruptcy Court, 350 South Main Street, Room 301, Salt Lake City, UT 84101. If you mail your objection to the Bankruptcy Court for filing you must mail it early enough so that the Court will **receive** it on or before the date stated above. You must also mail a copy to the undersigned counsel George Hofmann at Parsons Kinghorn Harris, 111 East Broadway, 11th Floor, Salt Lake City, UT 84111.
- (2) attend a hearing on **September 2, 2014, at 11:00 a.m.**, at 350 South Main Street, Salt Lake City, Utah in Courtroom 369. **There will be no further notice of the hearing** and failure to attend the hearing will be deemed a waiver of your objection.

If you or your attorney do not take these steps, the Bankruptcy Court may decide that you do not oppose the relief sought in the Motions, and may enter an order granting that relief. In the absence of a timely filed response to the Motions, the undersigned counsel may and will ask the Court to enter an order approving the Motions without hearing.

Dated: August 6, 2014

PARSONS KINGHORN HARRIS
A Professional Corporation

/s/ George Hofmann
GEORGE HOFMANN
Attorneys for the Debtor

George Hofmann (10005)
Parsons Kinghorn Harris
A Professional Corporation
111 East Broadway, 11th Floor
Salt Lake City, UT 84111
Telephone: (801) 363-4300
Facsimile: (801) 363-4378

Tyler Hawkes (13063)
The Rudd Firm PC
201 S. Main, Ste. 275
Salt Lake City, Utah 84111
Telephone: (801) 626-5337
Facsimile: (801) 532-8400

Attorneys for debtor-in-possession
Mineral Resources International, Inc.

**IN THE UNITED STATES BANKRUPTCY COURT
DISTRICT OF UTAH, CENTRAL DIVISION**

In re

MINERAL RESOURCES
INTERNATIONAL, INC.,

Debtor.

Bankruptcy No. 13-30606 (RKM)

Chapter 11

**DEBTOR'S MOTION TO EXTEND DEADLINE UNDER BANKRUPTCY CODE §
1129(e) THROUGH AND INCLUDING OCTOBER 24, 2014**

Mineral Resources International, Inc., debtor and debtor-in-possession in the above-captioned case (the "Debtor"), hereby moves this Court (the "Motion") for entry of an Order extending the deadline under Bankruptcy Code § 1129(e) through and including October 24, 2014, which represents an extension of approximately 60 days from the present deadline of August 25, 2014. In support of this Motion, the Debtor respectfully states as follows:

1. This Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

2. The Debtor filed a voluntary chapter 11 petition on September 16, 2013. The Debtor continues to operate its business and manage its property as a debtor in possession pursuant to Bankruptcy Code §§ 1107 and 1108.

3. No examiner or trustee has been appointed in this case.

4. On July 11, 2014, the Debtor filed its Plan of Reorganization (the "Plan").

5. The Debtor indicated on its Chapter 11 petition that it is a "small business debtor" as defined in Bankruptcy Code § 101(51D).¹

6. Accordingly, under Bankruptcy Code § 1121(e)(2), the Debtor was required to file its plan not later than Sunday, July 13, 2014 (which should move the deadline to the following Monday, July 14, 2014).

7. The same day the Plan was filed, the Debtor requested conditional approval of its Disclosure Statement, and for the Court to fix a hearing to consider confirmation of the Plan. The first available date for confirmation of the Plan on the Court's calendar was August 26, 2014 at 3:00 p.m., which is the date presently fixed to consider confirmation of the Plan.

8. Under Bankruptcy Code § 1129(e), in a small business case, a plan which complies with the Bankruptcy Code shall be confirmed "not later than 45 days after the

¹ The Debtor reserves the right to amend its petition as appropriate concerning its status or non-status as a "small business debtor." Without limiting the generality of the foregoing, should the Debtor's unsecured creditors form an official committee, the Debtor would by definition no longer be a "small business debtor."

plan is filed unless the time for confirmation is extended in accordance with section 1121(e)(3)" (the "45 day deadline").

9. In turn, Bankruptcy Code § 1121(e)(3) permits the Court to extend the 45 day deadline if the Debtor demonstrates that it is more likely than not that the court will confirm a plan within a reasonable period of time, a new deadline is imposed at the time the extension is granted, and the order extending time is signed before the existing deadline has expired.

10. The present 45 day deadline expires on August 25, 2014. The Debtor respectfully requests entry of an Order extending the 45 day deadline through and including October 24, 2014, which is an extension of approximately 60 days.

11. The Debtor submits that good grounds exist to extend the 45 day deadline based on the following:

A. The Debtor diligently filed its Plan in advance of the 300 day deadline;

B. The Debtor immediately requested the Court's earliest hearing date to consider confirmation of the Plan, which date was August 26, 2014;

C. The Debtor immediately requested conditional approval of its related Disclosure Statement, which the Court granted;

D. An application to employ the undersigned counsel was filed just three days before the Plan was filed; thus the undersigned counsel has acted extremely promptly to comply with the deadlines imposed in the Bankruptcy Code;

E. The Debtor would submit that the Plan, on its face, is confirmable and satisfies the requirements of Bankruptcy Code § 1129;

- F. To date, no objections have been filed to confirmation of the Plan;
- G. To date, all ballots received by the Debtor have voted in favor of confirmation of the Plan; and
- H. In the event the Plan is not confirmed as filed, the Debtor will act promptly to file an amended plan and seek its confirmation.

WHEREFORE, the Debtor respectfully requests the Court to enter an Order extending the 45 day deadline through and including October 24, 2014, and granting such other and further relief as is just.

Dated: August 6, 2014

PARSONS KINGHORN HARRIS
A Professional Corporation

/s/ George Hofmann
GEORGE HOFMANN

Attorneys for the Debtor

George Hofmann (10005)
Parsons Kinghorn Harris
A Professional Corporation
111 East Broadway, 11th Floor
Salt Lake City, UT 84111
Telephone: (801) 363-4300
Facsimile: (801) 363-4378

Attorneys for debtor-in-possession,
Mineral Resources International, Inc.

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF UTAH, CENTRAL DIVISION**

In re

MINERAL RESOURCES
INTERNATIONAL, INC.,

Debtor.

Bankruptcy No. 13-30606 (RKM)

Chapter 11

**NOTICE OF DEBTOR'S MOTION TO EXTEND DEADLINE UNDER BANKRUPTCY
CODE § 1129(e) THROUGH AND INCLUDING OCTOBER 24, 2014; AND NOTICE OF
HEARING**

**(Objection Deadline: August 19, 2014 at 3:00 p.m.)
(Hearing Date: August 20, 2014 at 10:30 a.m.)**

PLEASE TAKE NOTICE that Mineral Resources International, Inc. (the "Debtor"), through its undersigned counsel, has filed the Debtor's Motion to Extend Deadline under Bankruptcy Code § 1129(e) Through and Including October 24, 2014 (the "Motion").

YOUR RIGHTS MAY BE AFFECTED. You should read these papers carefully and discuss them with your attorney, if you have one in this bankruptcy case. If you do not have an attorney, you may wish to consult one.

If you do not want the Court to grant the relief requested in the Motion, then you or your lawyer must **both**:

(1) on or before August 19, 2014 at 3:00 p.m., file with the Bankruptcy Court a written objection to the Motions, explaining your position, at:

United States Bankruptcy Court
350 South Main Street, Room 301
Salt Lake City, UT 84101

If you mail your objection to the Bankruptcy Court for filing you must mail it early enough so that the Court will **receive** it on or before August 19, 2014 at 3:00 p.m. You also must mail a copy to the undersigned counsel at:

George Hofmann
PARSONS KINGHORN HARRIS, P.C.
111 East Broadway, 11th Floor
Salt Lake City, UT 84101

and

(2) attend the hearing on the Motion which is set for August 20, 2014 at 10:30 a.m. in Courtroom 369, United States Bankruptcy Court, 350 South Main Street, Salt Lake City, Utah 84101. **Failure to attend the hearing will be deemed a waiver of your objection.**

If you or your attorney do not take both of the above-described steps, the Bankruptcy Court may decide that you do not oppose the relief sought in the Motions, and may enter an order granting that relief.

In the absence of a timely filed objection, the undersigned counsel may and will ask the Court to strike the hearing enter an order approving the Motions without hearing.

Dated: August 6, 2014

PARSONS KINGHORN HARRIS
A Professional Corporation

/s/ George Hofmann
GEORGE HOFMANN
Attorneys for the Debtor

George Hofmann (10005)
Parsons Kinghorn Harris
A Professional Corporation
111 East Broadway, 11th Floor
Salt Lake City, UT 84111
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In re

MINERAL RESOURCES
INTERNATIONAL, INC.,

Debtor.

Bankruptcy No. 13-30606 (RKM)

Chapter 11

**DEBTOR'S MOTION TO SELL ASSETS AT AUCTION FREE AND CLEAR OF LIENS
AND APPROVAL OF AUCTIONEER'S COMMISSION AND ABANDONMENT**

Pursuant to Bankruptcy Code §§ 363 and 554 and Bankruptcy Rules 2002 and 6004 and 6007, Mineral Resources International, Inc. (the "Debtor") through its undersigned counsel, hereby moves this Court for an order authorizing the sale of the Surplus Assets (as defined below) at auction, and for the abandonment of the Inconsequential Assets (as defined below). In support of this Motion, the Debtor respectfully represents as follows:

JURISDICTION AND GENERAL BACKGROUND

1. This Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

2. The Debtor filed a voluntary chapter 11 petition on September 16, 2013. The Debtor continues to operate its business and manage its property as a debtor in possession pursuant to Bankruptcy Code §§ 1107 and 1108.

3. No examiner or trustee has been appointed in this case.

4. The Debtor formerly leased premises located at 1990 West 3300 South, Ogden, Utah 84401 (the "Premises"). However, subsequent to the Debtor's bankruptcy filing, it has vacated the Premises and has relocated to new leased space.

5. In the process of this move, many of the assets which the Debtor formerly used at the Premises have become surplus and of no further use in the Debtor's business. The Debtor proposes to sell these assets, listed on Exhibit A (the "Surplus Assets") at auction through Erkelens and Olson Auctioneers through the process described below.

6. Other assets, listed on Exhibit B (the "Inconsequential Assets") are not valuable in the Debtor's business and are not of sufficient value to auction. The Debtor proposes to abandon these assets.

RELIEF REQUESTED

7. The Trustee intends to sell the Surplus Assets at auction. The auction will be conducted by Erkelens and Olson Auctioneers in the following manner:

A. Creditors with valid perfected liens on the Surplus Assets are entitled to credit bid at auction in accordance with Bankruptcy Code § 363(k). Secured creditors are not required to bid all or any part of their claims. In the event that a credit bidder is the ultimate purchaser of the Surplus Assets and the purchase price does not exceed the claim of the secured creditor(s), the secured creditor(s) will be required to pay the Debtor's reasonable expenses of sale, including the auctioneer's commission, pursuant to Bankruptcy Code § 506(c).

B. All bids must be in cash. Prospective cash bidders must deposit with the auctioneer the amounts established by the auctioneer. Only those bidders who have lodged their deposits with the auctioneer at or before the commencement of the auction will be allowed to bid. At the conclusion of the sale, the auctioneer will return any deposits lodged by unsuccessful bidders.

C. The total purchase price bid by any successful bidder, after deducting the amount of the initial deposit, shall be paid immediately after the conclusion of the auction.

D. In the event that a successful bidder fails to complete payment of the full purchase price immediately after the conclusion of the auction, the initial deposit placed with the auctioneer shall be forfeited, and the Surplus Assets shall be offered to the next highest bidder at the next highest bidder's highest bid price.

E. The Surplus Assets shall be sold on an "as is, where is" basis, without any representations or warranties.

F. The Debtor and/or the auctioneer will reserve the right to reject bids which in their opinion are insufficient or do not conform to the terms of the sale set forth

herein. Moreover, the items of Surplus Assets listed on Exhibit A may be subject to minimum bids. The Debtor further reserves the right to continue the sale from time to time and from place to place as it deems appropriate, and to withdraw one or more items of Surplus Assets from the auction at any time.

G. The sale of the Surplus Assets will take place at the business premises of Erkelens and Olson Auctioneers, located at 430 West 300 North, Salt Lake City, Utah 84103 on **October 25, 2014 at 10:00 a.m.**

H. A preview for the Surplus Assets will occur on **October 24, 2014 from 10:00 a.m. to 4:00 p.m.**

I. Directions and maps for the site location for the preview and auction may be obtained by contacting Erkelens and Olson Auctioneers , whose business is located at 430 West 300 North, Salt Lake City, Utah 84103, (801) 355-6655. Additional information concerning the auction may also be found at www.salesandauction.com

J. The auctioneers' commission in the amount of 15% of the gross proceeds of sale will be paid by the Debtor at the time of the sale.

WHEREFORE, the Debtor moves this Court to enter an Order granting the Motion; approving the proposed sale of Surplus Assets, as outlined above, pursuant to 11 U.S.C. §§ 105(a), 363(b), and 363(f), with the sale of the Surplus Assets to be free and clear of liens, claims, encumbrances, and interests; and with valid liens, if any attaching to the proceeds of sale in the same priority as they currently exist, authorizing the payment of the auctioneer's commission pursuant to Local Rule 6005-1, finding that all objections, if any, to this Motion are overruled; finding that the sale is in compliance with applicable

bankruptcy law; authorizing the Debtor to execute the documents necessary to effectuate the transactions contemplated by this Motion; authorizing the abandonment of the Inconsequential Assets pursuant to 11 U.S.C. § 554, and for such other and further relief as is appropriate.

Dated: August 6, 2014

PARSONS KINGHORN HARRIS
A Professional Corporation

/s/ George Hofmann
GEORGE HOFMANN

Attorneys for the Debtor

EXHIBIT A

Mineral Resources International Surplus (Items to be auctioned by Erkelens & Olson)
Mitsubishi 32' TV
Sony Boom Box
Bread Baking Trays
Picnic Table
Basketball Hoops Game
Fiberglass Liquid Tanks
(30) 55 Gallon Drums Metal & Plastic
20 Blue metal Chairs
Portable Dishwasher
Folding Tables
Upright Freezer
1 Small Refrigerator
1 Large Refrigerator
Microwave
Washer (Broken) and Operating Dryer
Toilet
Chest of Drawers
2 Large Box Fans
Vacuum Cleaner
Blue Chairs
Filing Cabinets
2 Tread Mills
2 Doors in Frames
1 Heat Shrink Tunnel
2 Hot Labelettes
4 Triple Sinks – 3 Hole
Microscope
Olympus BX40 Microscope
Flame A, Atomic Absorption
Content of Mineral
2 Sinks Washroom
Manual L. Sealer Shrink Wrap
Floor Scrubber
2 Large Air Fans
Quincy Air Compressor
Pallet: Scrap Metal, Stokes Parts
Outside Scrap, Misc. Metal Blue Face
Water Heater
3 Sq. Tanks Storage (Liquids)
Storage Tank White

EXHIBIT B

Mineral Resources International Surplus (Scrap list)
Mini Trampoline
Ping Pong Table
Various Metal & Wood Scrap
RCA 24" TV w/VCR
Scrap Forklift
Aerobic Riders
12 Computer Monitors
Various Broken Chairs
Stokes Tablet Press
Lockers